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3	295 S. Main Street, Suite 600 Salinas, California 93901				
4	Telephone: 831.759.0900 Facsimile: 831.759.0902				
5	Attorneys for Plaintiffs Michael Larkin and Inka Larkin,				
6	IN THE UNITED STATES BANKRUPTCY COURT				
7	FOR THE NORTHERN DISTRICT OF CALIFORNIA				
8					
9	SAN JOSE DIVISION				
10	In re) Case No. 11-50240			
11	ROBERT EDWARD HAYNER and JANE	Chapter 7			
12	E. HAYNER,	Adv. Pro. No.:			
13	Debtors.) JOINT CASE MANAGEMENT			
14	MICHAEL LARKIN, an individual, and				
15	INKA LARKING, an individual;				
16	Plaintiffs,	}			
17	v .) Date: August 9, 2011			
18	ROBERT EDWARD HAYNER, an Time: 2:00 p.m.				
19 20	Defendants.				
21	Plaintiffs Michael Larkin and Inka Larkin ("Plaintiffs") and Defendants Robert Edward				
22					
23	Hayner and Jane E. Hayner ("Defendants") respectfully submit this Joint Case Management				
24	Conference Statement.				
25	1. <u>Date and Time that Counsel Conferred</u> :				
26	Counsel conferred on July 19, 2011 at approximately 9:00 a.m.				
27	2. Summary of Legal Theories and Facts				
28	1				
Case:	Joint Case Management Conference Statement Larkin v. Hayner Case: Case: Case Management Conference Statement Larkin v. Hayner Case: Case: Case Management Conference Statement Larkin v. Hayner Case Management Conference Statement Larkin v. Hayner Case Management Conference Statement Larkin v. Hayner Case Management Conference Statement Case Manag				

a) Plaintiffs' Statement

This dispute arises out of a stock purchase agreement. On or about February 28, 2005, Plaintiffs and Defendants entered into an Agreement entitled "Agreement to Purchase and Sale of Stock" ("Agreement") whereby Defendants agreed to purchase from Plaintiffs Plaintiffs' shares of stock in a Canadian Corporation called Michael Larking Consulting, Inc. Concurrent with the execution of the Agreement, Plaintiffs transferred valuable software to Defendants' corporation Carmel Applied Technologies, Inc. ("CATI").

Pursuant to the Agreement, Defendants were required to pay Plaintiffs \$1 million Canadian dollars at the closing date of the Agreement in exchange for 40 percent of Plaintiffs' stock. As to the remaining 60 percent of shares, Defendants were required to make annual installment payments from 2005 through 2014 of a percentage of the revenue earned by CATI. Plaintiffs contend that Defendants had no intention of honoring the Agreement when it was entered.

During the 2005 fiscal year, CATI earned sufficient revenue to obligate Defendants to pay Plaintiffs \$400,000. However, Plaintiffs never paid Defendants this sum and instead sold CATI for a purchase price of \$11 million and fraudulently transferred the sales proceeds into an investment account managed by Defendant Robert Hayner's brother-in-law at 6800 Capital, LLC, located in Princeton, New Jersey.

On February 26, 2009, Plaintiffs filed a Complaint against Defendants in the Monterey County Superior Court (Case No. M97268) and obtained a default Judgment in the amount of \$588,991.75 on September 22, 2010. Plaintiffs claim that Defendants' debt is non-dischargeable pursuant to 11 U.S.C. § 523(a)(2), 523(a)(4), and 523(a)(6). In addition, Plaintiffs assert that the court should deny discharge under 11 U.S.C. § 727(a)(2)(A), 727(a)(3), and 727(a)(4) on the

1	ground that Defendants have fraudulently transferred and concealed from the bankruptcy cour					
2	the millions of dollars in sales proceeds derived from the sale of CATI.					
3		b) Defendants' Statement				
4		·				
5		Defendants deny the material allegations contained in the complaint.				
6	3.	Proposed Discovery Plan				
7		a)	Initial Disclosures: August 23, 201	1		
8		b) Expert Testimony Disclosure: Sometime March 2012				
9		c)	Discovery Cut Off Date: Sometime	April 2012		
10		d)	Pretrial Motion Filing Cut Off Date	e: Sometime May 2012.		
11	4.					
12	7.	Estimated Time for Trial and Desired Date:				
13		2-3 days. Sometime July 2012.				
14	5.	Alternative Dispute Resolution				
15		The parties are amenable to alternative dispute resolution.				
16		My	2,			
17 18	Dated:	July)	<u>'</u> , 2011	JOHNSON & MONCRIEF, PLC		
19						
20						
21				Dennis Lewis, Esq. Attorneys for Plaintiff Michael Larkin and		
22				Inka Larkin		
23	Dated:	July 2	6, 2011	DUFFY & GUENTHER, LLP		
24		vary 2	o, 2011	al d		
25	 			19		
26	<u> </u> 			Ralph P. Guenther, Esq. Attorneys for Defendants Robert Hayner		
27				and Jane Hayner		
28			3			
- 1	Joint Ca	se Mana	gement Conference Statement			

Joint Case Management Conference Statement

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